GoldenWest
RESOURCES LIMITED

ABN 54 102 622 051

31 January 2007

Corporate Summary

ASX Code: *GWR*

Issued Capital: *62 Mil*

Issued Options: *25 Mil*

Market Cap fully diluted Jan 07: *$A215 Mil*

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Quarterly Report

Quarter Ending 31st December 2006

Highlights

Wiluna West Project

- The Company continued with the major RC drilling commenced in the previous quarter. A total of 157 holes were completed for 12,910 meters. The drilling continued to test Stage 1 and 2 iron targets within the Wiluna West Project and focused upon the Bowerbird, Bowerbird South, C4 and C3 targets.
- Drilling at the C4 prospect continued to intersect broad widths of mineralisation significant intercepts include:

  WWRC406, 37m @ 62.3% Fe from 24m to End of Hole (EOH)
  WWRC407, 44m @ 61.9% Fe from 23m
  WWRC409, 48m @ 62.2% Fe from 42m
  WWRC419, 22m @ 62.8% Fe from 23m & 24m @ 63.4% from 58m
- Initial drilling at the C3 prospect has encountered broad widths of mineralisation, significant intercepts include:

  WWRC347, 61m @ 60.9% Fe from 7m
  WWRC341, 42m @ 60.9% Fe from 36m
  WWRC377, 23m @ 60.6% Fe from 22m
  WWRC444, 21m @62.0% Fe from 21m
- Infill drilling has been completed at the Bowerbird South prospect, and resource and reserve estimates are currently being undertaken by the Company's consultants Snowdens. Significant intercepts achieved during the quarter include:

  WWRC299, 18M @ 62.8% Fe from 38 & 6m @ 63.4% Fe from 59m
  WWRC356, 24M @ 60.1% Fe from 24m
- At Bowerbird South preliminary pit designs are being undertaken by Snowdens and It is expected that a Notice of Intention to Mine (NOI) will be lodged with DOIR during the coming quarter.
- Drilling at Bowerbird prospect has intersected hard hematite mineralisation at depth, significant intercepts include:

  WWRC278, 6m @ 64.4% Fe from 22m & 5m @ 63.3% Fe from 92m
  WWRC279, 5m @ 66.4% Fe from 51m
  WWRC281, 7m @ 65.3% Fe from 20m
  WWRC283, 9m @ 67.7% Fe from 24m
- The Company plans to continue with its aggressive drilling program and plans to complete resource definition drilling at the C4 and C3 prospects and commence drilling at the C1, C2 and C5 prospects.
- Mr Patrick Gallagher, a former law lecturer and expert in tax and corporate governance has been appointed to the Board of Directors as a non-executive Director.

REVIEW OF OPERATIONS

WILUNA WEST PROJECT
(Iron, Gold, Uranium)

The 440 square kilometre Wiluna West Project is located approximately 40 kilometres west of the township of Wiluna in the North Eastern Goldfields of Western Australia. Almost the entire Joyners Find greenstone belt is held with contiguous tenements over a length of 45 kilometres.

The Company's focus is on iron ore exploration and development. An aggressive RC drilling program is underway to identify the resources and reserves that will underpin the Stage 1 and Stage 2 developments of the project.

The project contains a gold resource of 788,000 tonnes at 3.5 g/t gold for a contained 87,000 ounces of gold, with considerable potential for additional discoveries.

The southern area of the project is highly prospective for calcrete hosted uranium deposits being along strike from the Hinkler Well uranium deposit and within 20 kilometres of the Yeelirrie uranium deposit.

IRON

The project contains 5 prospective BIF horizons termed Units A to E, which cumulatively represent a strike length of 125 kilometres. The current exploration focus is on mapped and sampled sections of Units B and C exposed in the central to northern portion of the Joyner's Find Greenstone Belt. Work undertaken during the quarter included RC drilling, geological mapping, gravity surveys and processing of a recently flown air magnetic data. In addition, K H Morgan and Associates commenced a regional groundwater survey.

The goal of the present exploration program is to identify the resources and reserves that will underpin the planned Stages 1 and 2 development of the Project:

Stage 1: To generate early cash flow

Stage 1 is to outline a JORC reserve of 5 million tonnes of high grade direct shipping hematite (iron ore) suitable for sale to market at a rate of 1 million tonnes per annum to generate a cash flow to assist in funding the Stage 2 programme.

Stage 2: Confirm the size of the iron ore resource and develop the required infrastructure

Stage 2 will involve the development of a major iron ore project of at least 150 to 200 million tonnes and the required infrastructure to support an envisaged 10 to 12 million tonne per annum operation with the immediate target of defining a global resources of +100 million tonnes at +60% iron.

Geological Mapping

Detailed 1:1000 geological mapping has been undertaken over known target areas as a precursor to drilling. This has been completed at the C2, C3 and C5 prospects and commenced at the C1 prospect. Further detailed geological mapping is planned for the C1 and north of the C5 prospect during the March 07 quarter.

Geophysics

A detailed gravity survey was undertaken over the C4 prospect and this clearly identifies the known mineralisation. The survey also revealed 5 discrete gravity anomalies under cover to the west of the C4 deposit. It is planned to follow up these anomalies during the coming quarter. It is planned to use this technique in other areas where potential mineralisation is under cover. Further imaging of the C4 deposit using existing detailed gravity and air magnetic surveys is presently being undertaken.

Re-processing of the detailed air magnetics is now being undertaken by the Company's consultant geophysicist in conjunction with the known iron deposits, detailed geological mapping and drill hole data, over the entire project area. It is expected that this will identify a number of additional targets.

Hydrology

Kevin Morgan and Associates have been engaged to undertake a regional groundwater survey to identify local water sources that could be used in a mining operation. Based upon historical information, aerial photography and ground inspection a number of targets were identified, several of which were recently drill tested with positive results.

RC Drilling

The aggressive RC drilling program initiated in the previous quarter continued, with a total of 157 holes for an aggregate of 12,910 metres completed by the end of the quarter. RC drilling was undertaken at the C3, C4, Bowerbird and Bowerbird South. This is an ongoing drilling program that has been designed to identify the resources and reserves required for the proposed Stage 1 and Stage 2 development of the project.

Compilation of the drilling results is presently being undertaken and is viewed as most encouraging. Significant drill hole intercepts are summarised in Table 1 below.

C4
RC drilling has or is presently being undertaken on 100 metre line spacings over a strike length of 1.3 kilometres, testing the mineralisation to a depth of approximately 150 metres. It is anticipated that the present drilling program will be completed early in 2007 and resource calculations will be commenced.

C3
RC drilling is testing a number of prospective horizons identified by detailed geological mapping over a strike length of approximately 3 kilometres. This program is only at its early stages and will be reported upon as results are received and compiled.

Bowerbird South

RC drilling on 50 metre to 100 metre line spacings has now been completed to a nominal depth of approximately 100 metres. Resource and reserve estimation are currently being undertaken by the Company's consultants, Snowden Group.

Bowerbird

Drilling in this area targeted outcropping high grade hard hematite mineralisation identified by earlier mapping and rock chip sampling programs. Whilst the drilling intersected high grade iron mineralisation it appears to be structurally complex and narrow in comparison to deposits such as C4. Accordingly, drilling of this target has been deferred. The area could be a source of high grade blending ore as it contains low levels of contaminants.

TABLE 1
SIGNIFICANT RC DRILL HOLE INTERCEPTS

HOLE ID	NORTH	EAST	Dip/Azi	FROM	TO	WIDTH	Fe	SiO_2	Al_2O_3	P	LOI
	(MGA ZONE 50)			(m)	(m)	(m)	(%)	(%)	(%)	(%)	(%)
C4 PROSPECT											
WWRC331	7045400	792340	-60/090	5	42	37	61.1	6.3	1.9	0.06	4.0
WWRC333	7045400	792300	-60/090	65	74	8	63.4	7.1	0.3	0.03	1.8
WWRC342	7046300	792520	-60/090	19	80 EOH	61	63.3	5.3	1.7	0.02	2.0
			incl	46	50	4	67.1	1.7	0.9	0.02	1.3
			incl	60	73	13	65.7	3.2	0.9	0.03	1.4
WWRC348	7045700	792490	-60/090	1	9	8	60.4	6.6	1.9	0.07	4.6
WWRC349	7045700	792360	-60/090	64	86	22	63.9	3.9	2.4	0.03	2.1
WWRC362	7046300	792630	-60/090	15	19	4	61.1	5.9	2.3	0.05	3.9
WWRC363	7046400	792620	-60/090	1	6	5	58.3	8.0	3.9	0.05	4.1
WWRC383	7046200	792520	-60/090	19	31	12	59.9	7.2	2.0	0.07	4.7
WWRC385	7046500	792600	-60/090	22	45	23	60.3	6.6	2.2	0.06	4.6
WWRC386	7046500	792560	-60/090	10	14	4	57.2	8.4	2.8	0.07	6.3
WWRC390	7046600	792600	-60/090	19	35	16	59.3	9.6	2.4	0.07	2.7
WWRC391	7046600	792560	-60/090	9	23	14	59.1	7.5	2.2	0.08	5.4
				34	43	9	55.6	13.1	4.0	0.03	2.9
WWRC406	7045800	792400	-60/090	24	61 EOH	37	62.3	4.7	3.3	0.02	2.6
			incl	51	61 EOH	10	65.3	2.8	1.7	0.02	1.9
WWRC407	7045800	792480	-60/090	0	14	14	60.0	5.4	3.2	0.03	5.1
			incl	2	7	5	65.1	2.8	1.2	0.03	2.9
				23	67	44	61.9	6.7	2.7	0.03	1.8
			incl	46	57	11	63.9	5.1	1.9	0.03	1.4
			incl	59	66	7	64.6	4.4	1.8	0.02	1.2
WWRC408	7045800	792440	-60/090	24	80	56	60.3	7.5	3.4	0.02	2.4
			incl	35	44	9	64.3	3.8	2.5	0.02	1.4
				104	108	4	60.9	11.3	0.6	0.02	0.6
WWRC409	7045800	792360	-60/090	42	90 EOH	48	62.2	6.6	1.6	0.02	2.4
			incl	42	47	5	64.5	3.8	1.2	0.02	2.5
			incl	54	59	5	64.2	3.4	1.4	0.02	3.0
			incl	65	76	11	64.8	3.7	1.6	0.02	1.8
WWRC419	7045700	792410	-60/090	23	45	22	62.8	4.7	2.8	0.03	2.4
			incl	24	31	7	64.5	3.8	2.3	0.02	1.6
				58	82	24	63.4	6.5	0.9	0.04	1.9

TABLE 1 (continued)
SIGNIFICANT RC DRILL HOLE INTERCEPTS

HOLE ID	NORTH	EAST	Dip/Azi	FROM	TO	WIDTH	Fe	SiO_2	Al_2O_3	P	LOI
	(MGA ZONE 50)			(m)	(m)	(m)	(%)	(%)	(%)	(%)	(%)
C3 PROSPECT											
WWRC335	7040600	792260	-60/090	42	47	5	55.2	9.7	3.8	0.03	6.7
WWRC337	7040400	792385	-60/090	1	8	7	53.8	15.9	2.7	0.05	4.0
			incl	6	8	2	60.7	7.5	1.8	0.08	3.2
WWRC339	7040600	792350	-60/090	7	19	12	63.4	3.6	0.9	0.09	4.2
WWRC341	7040400	792310	-60/090	14	31	17	63.2	2.2	1.1	0.11	5.7
				36	78	42	60.9	6.5	3.4	0.02	2.5
WWRC343	7040400	792270	-60/090	48	52	4	57.5	11.0	2.8	0.04	3.1
WWRC346	7040200	792240	-60/090	45	50	5	57.9	6.2	0.1	0.17	10.2
WWRC347	7041970	792276	-60/090	7	68	61	60.9	7.5	0.9	0.08	4.1
			incl	9	16	7	63.8	2.1	0.7	0.07	5.8
			incl	24	27	3	63.5	6.0	0.6	0.05	2.3
			incl	60	68	8	64.7	3.0	0.8	0.11	3.5
WWRC364	7040200	792350	-60/090	2	9	7	64.2	3.6	0.9	0.03	3.2
WWRC365	7040200	792310	-60/090	0	11	11	61.2	5.9	1.4	0.05	4.8
				40	45	5	57.5	12.1	0.9	0.09	4.4
WWRC376	7041700	792570	-60/090	31	41	10	60.2	5.4	1.7	0.06	6.3
WWRC377	7041700	792530	-60/090	22	45	23	60.5	4.9	3.3	0.09	4.7
WWRC378	7041800	792560	-60/090	21	31	10	60.5	5.5	3.4	0.08	4.0
WWRC379	7041950	793690	-60/090	70	74	4	62.7	8.1	1.2	0.02	0.9
WWRC441	7041950	792690	-60/090	5	23	18	61.3	4.8	2.0	0.06	5.1
				29	36	7	55.5	8.6	4.3	0.03	7.2
				40	57	17	57.2	5.7	3.9	0.07	7.8
WWRC444	7042400	792520	-60/090	2	23	21	62.0	6.5	1.6	0.04	3.1
WWRC445	7042600	792530	-60/090	0	18	18	55.6	13.2	3.0	0.06	3.9
BOWERBIRD SOUTH PROSPECT											
WWRC297	7041500	794415	-60/090?	44	49	5	65.9	2.7	1.7	0.05	1.1
WWRC298	7041850	794390	-60/090	53	58 EOH	5	60.4	10.5	0.8	0.08	1.8
WWRC299	7041200	794420	-60/090	38	56	18	62.8	4.2	3.3	0.06	2.1
			incl	41	50	9	65.6	2.3	1.9	0.06	1.5
				59	65	6	63.4	5.2	2.4	0.02	1.3
WWRC350	7041650	794430	-60/090	24	34	10	59.4	7.7	4.4	0.06	2.6
WWRC351	7041550	794420	-60/090	11	22	11	58.7	8.2	4.8	0.03	2.9
WWRC352	7041450	794410	-60/090	9	14	5	60.7	6.5	3.9	0.03	2.4
				16	20	4	62.8	4.7	3.5	0.03	1.7
				22	27	5	63.7	4.0	2.9	0.05	1.8
WWRC353	7041250	794430	-60/090	12	24	12	60.2	7.0	4.3	0.02	2.3
				39	46	7	65.6	2.7	1.9	0.02	1.4
WWRC355	7041350	794420	-60/090	36	48	12	59.0	6.4	6.1	0.03	2.9

TABLE 1 (continued)
SIGNIFICANT RC DRILL HOLE INTERCEPTS

HOLE ID	NORTH	EAST	Dip/Azi	FROM	TO	WIDTH	Fe	SiO_2	Al_2O_3	P	LOI
	(MGA ZONE 50)			(m)	(m)	(m)	(%)	(%)	(%)	(%)	(%)
BOWERBIRD SOUTH PROSPECT (continued)											
WWRC356	7041150	794430	-60/090	24	48	24	60.1	5.4	3.5	0.07	3.4
			incl	35	44	9	63.5	3.5	2.6	0.06	2.8
WWRC357	7041050	794450	-60/090	7	12	5	63.1	4.8	2.5	0.03	2.3
WWRC358	7041050	794420	-60/090	45	52	7	65.9	1.8	1.2	0.09	2.4
WWRC380	7041000	794450	-60/090	13	22	9	55.0	12.4	5.1	0.05	3.4
WWRC403	7041704	794370	-60/090	61	65	4	62.2	5.0	2.0	0.07	3.4
				75	80	5	60.8	8.7	1.8	0.08	2.1
				85	94	9	57.6	13.2	1.7	0.11	2.1
WWRC404	7041600	794370	-60/090	33	51	18	58.3	6.8	5.2	0.11	4.3
WWRC405	7041600	794340	-60/090	103	111	8	62.2	3.8	2.3	0.11	4.2
				114	118	4	59.0	5.9	4.0	0.11	5.1
BOWERBIRD PROSPECT											
WWRC271	7041500	794407	-60/090	19	38	19	60.7	6.1	4.6	0.04	2.2
			incl	23	30	7	66.7	2.0	1.5	0.04	1.1
			incl	33	38	5	67.3	1.7	1.3	0.05	0.7
WWRC273	7041500	794370	-60/090	9	16	7	56.3	8.6	5.6	0.06	4.7
				48	62	14	63.8	4.1	3.0	0.02	1.5
			incl	49	59	10	66.7	2.3	1.6	0.02	0.8
WWRC278	7043000	794500	-60/090	22	28	6	64.4	3.3	2.3	0.03	1.9
				92	97	5	63.3	3.2	2.3	0.05	1.9
WWRC279	7042800	794480	-60/270	51	56	5	66.4	2.3	1.8	0.01	0.6
				66	70	4	61.6	4.7	3.2	0.02	2.2
WWRC280	7042900	794510	-60/090	16	22	6	62.7	4.7	3.4	0.03	1.6
WWRC281	7042850	794490	-60/090	20	27	7	65.3	3.0	2.1	0.04	1.0
WWRC283	7042800	794490	-60/090	24	33	9	67.7	1.4	1.0	0.03	0.7
WWRC287	7042500	794450	-60/270	16	24	8	62.2	5.7	3.3	0.01	1.6
WWRC288	7041100	794420	-60/090	59	66	7	61.0	5.8	3.0	0.12	3.4
WWRC289	7042500	794460	-60/090	30	34	4	62.0	4.6	3.5	0.04	2.7
WWRC290	7041600	794430	-60/090	16	25	9	60.3	6.6	4.5	0.03	2.4
WWRC291	7043000	794550	-60/090	23	29	6	61.9	5.0	4.0	0.03	2.2
WWRC292	7041700	794400	-60/090	42	49	7	64.4	3.3	2.6	0.04	1.6
WWRC293	7043100	794560	-60/090	19	27	8	59.4	5.7	4.8	0.07	3.8
WWRC410	7041650	794370	-60/090	77	84	7	63.6	5.0	1.9	0.06	1.6
WWRC411	7041650	794340	-60/090	96	100	4	65.0	3.6	0.8	0.07	1.7
WWRC412	7041500	794340	-60/090	71	75	4	60.1	7.3	2.2	0.07	3.2
				80	85	5	61.3	4.6	3.4	0.07	3.5
				101	109	8	64.1	5.4	1.5	0.02	1.2
WWRC413	7041300	794390	-60/090	118	125	7	62.6	5.1	3.3	0.05	1.9
WWRC414	7041395	794360	-60/090	52	56	4	60.7	6.3	3.1	0.07	3.4
				122	136	14	63.3	5.4	2.5	0.04	1.3
WWRC415	7041200	794350	-60/090	50	64	14	60.3	5.4	4.5	0.07	3.2
			incl	59	64	5	64.2	2.9	2.1	0.08	2.7
				75	94	19	63.3	4.4	2.1	0.08	2.7
WWRC418	7040900	794400	-60/090	7	18	11	61.7	5.8	3.3	0.03	2.0
				71	82	11	58.8	11.4	2.8	0.03	1.3

Note 1 Assay results based upon 1m cone split samples analysed by Ultra Trace Laboratories, Perth using XRF.

Notice of Intent to Mine

The Company plans to lodge a Notice of Intent to Mine (NOI) with the DOIR early in 2007 over the Bowerbird South prospect. The Company's consultants Keith Lindbeck and Associates are preparing this in conjunction with Snowden Group.

Infrastructure

Transport planning is a major activity for the successful development of the Wiluna West project.

The Company appointed Mr Raymond Marks from Longrun Pty Ltd to complete a study and evaluate the costs and plans for mining Stage 1 and Stage 2 in linking the Wiluna project to the proposed Midwest regional rail system to Oakajee Port, or the alternative plan of building a rail from Wiluna to Leonora, linking to the current infrastructure connecting to the Esperance Port.

Stage 1: The Company plans to enter into sale agreements of 1 million tonnes per annum of high-grade hematite (iron ore). The iron ore will be transported by road to a stockpile site at Leonora then railed to Esperance Port.

Stage 2: Wiluna Project is 700 kilometres from the proposed Oakajee port, 25 kilometres north of Geraldton, and 900 kilometres north of the port of Esperance. The Stage 2 program will initially involve transporting of at least 10 million tonnes of iron ore per annum.

Railway infrastructure from Wiluna to either west of Meekatharra approximately 250 kilometres or south to Leonora 285 kilometres will need to be built.

An infrastructure planning report has been prepared with cost estimates. This is being revised and updated as the project details are refined and will progress to prepare for a comprehensive feasibility study.

The planning report focuses on Esperance and the extension of the existing rail link from Leonora northward to the Project at Wiluna West. This will require a new 285 kilometre railway. Some upgrade and construction of passing loops will be required on the 650 kilometres of the existing Leonora to Esperance railway.

The Esperance port will also need to be upgraded to accommodate new ore storage sheds, a new rotary car dumper and associated rail sidings.

Initial cost estimates are not published but give the Company confidence to pursue studies of this Esperance alternative route.

For the Oakajee port option the planning has been less detailed, however this is being addressed currently and is dependant on port and rail infrastructure being built by other parties and Government approvals. Golden West will need to build a new railway from Wiluna West to a possible connection at Weld Range, a distance of 253 kilometres. This would join a direct rail route to Oakajee Port within the rail network proposed by other Midwest iron ore Companies.

To expedite infrastructure approvals including native title, heritage and environmental approvals the existing transport corridors where available, are being chosen. These include the Goldfields Highway reserve and the former Meekatharra to Wiluna railway reserve.

Discussions are ongoing with Government departments, port authorities and transport operators to prepare the feasibility study for transport infrastructure.

Esperance Port

An option over land at the Esperance Port suitable for a 300,000 tonne iron ore storage shed has been entered into and extended, with the option exercisable by 30 June 2007. Rail cartage discussions have commenced with ARG to transport sufficient ore to Esperance to meet a shipping target of 1 million tonnes per annum, possibly

using cape size ships (160,000 tonnes). Further discussions regarding port access and tippler operation is continuing.

Geraldton Iron Ore Alliance

Golden West Resources is a member of the Geraldton Iron Ore Alliance. Members of the Geraldton Iron Ore Alliance have proposed the building of a new port at Oakajee, 25 kilometres north of Geraldton. The Government of Western Australia has confirmed Oakajee as the most suitable site for the proposed port. Two members of the Alliance are leading discussions on the planning and financing of the port and rail infrastructure. They are endeavouring to obtain direction from the West Australian Government on the ownership, funding and longer term management of this infrastructure.

Steel Mills – Sale of Ore

Presentations to steel mills and iron ore dealers continue, with strong interest directed to longer term involvement in the Project and the required infrastructure with several interested companies having visited the Wiluna Project. Due to mutual confidentiality agreements, the Company cannot disclose names of interested parties until an agreement is formulated.

The Company is endeavouring to obtain a better understanding of the magnitude of the Wiluna iron ore project prior to entering into any agreements.

URANIUM

Exploration Licence E53/1159 is located in the southeast of the Wiluna West Project and is upstream from the Dawson Well, Hinkler Well, Centipede and Lake Way uranium deposits. These deposits, like the Yeelirrie deposit (50,000 tonnes of contained U_3O_8), located 16 kilometres south of the Company's Wiluna West Project are calcrete hosted style deposits.

ASX listed company U308 Limited has recently announced additional significant uranium mineralisation from drilling at their Dawson-West Prospect, which is downstream and contiguous with the eastern boundary of E53/1159. It has been noted that the westernmost traverse, through the Dawson Well zone intersected a substantial zone of uranium mineralisation 1 kilometre wide and up to 5 metres thick, 300 to 700 metres from GWR's eastern tenement boundary.

The Company is considering its options with regard to progressing the project in conjunction with the major iron ore drilling campaigns.

PROPOSED EXPLORATION & GOALS DECEMBER 2006 QUARTER

The Company will continue with its present exploration and resource/reserve definition drilling programs with the following work planned for the March 2007 quarter.

- Complete RC drilling at the C4 prospect to define resources to a depth of 150 metres, with a drilling density that will allow most of the resource to report to the JORC-compliant indicated category.
- Complete first pass RC drilling of the C3 prospect and commence resource estimation.
- Commence preliminary RC drilling of the C1, C2 and C5 prospects.
- Undertake diamond drilling at the C4 and Bowerbird South prospects for engineering and metallurgical purposes.
- Complete resource/reserve estimation at the Bowerbird South prospect.
- Submit a notice of intent to mine (NOI) to the DOIR for the Bowerbird South prospect.

DOHERTY'S PROJECT
(Gold)

The Doherty's project is located in the Barrambie Greenstone Belt approximately 100 kilometres south west of the Wiluna West project. The project contains an indicated resource of 25,700 tonnes at 23.8 g/t Au for a contained 20,430 ounces.

A review of all geological data is in progress with a view to explore for potential extension at depth and possibly seek out a joint venture partner.

BULLA BULLING – SOUTH PROJECT
(Gold)

The Bullabulling South Project is located 35 kilometres southwest of Coolgardie at the Southern end of the highly mineralised Coolgardie – Bullabulling Greenstone Belt. Gold deposits within 10 kilometres of the project have produced more than 1 million ounces of gold.

Two large gold-in-soil anomalies have been delineated, being the Triton and Canyon prospects. The Canyon prospect overlies the Reptile and Bullabulling shear zones and contains anomalous drillhole gold intercepts (up to 2g/t) along the downhole saprolite-saprock interface below transported overburden.

The Company will review all data and may elect to seek a joint venture partner.

CORPORATE

The Board of Directors invited Mr Patrick Gallagher to join the Board as a non-executive Director.

Mr Gallagher is a former Associate Professor of Law at the University of New South Wales and is a Fellow of CPA Australia and the Taxation Institute of Australia. Currently a non-practising Barrister at Law in NSW, Mr Gallagher has recently lectured in Taxation Law and Corporate Governance and Accountability at Macquarie University while providing independent corporate governance and strategic planning consulting services to the private sector.

His experience in dealing with senior Chinese officials as Australian Director of joint Australian/Chinese research and training programs, will bring special expertise to the Board at a time Chinese interests are seeking dominant positions in Australian iron ore projects.

Gary W Hutchinson
Managing Director

For further Information:
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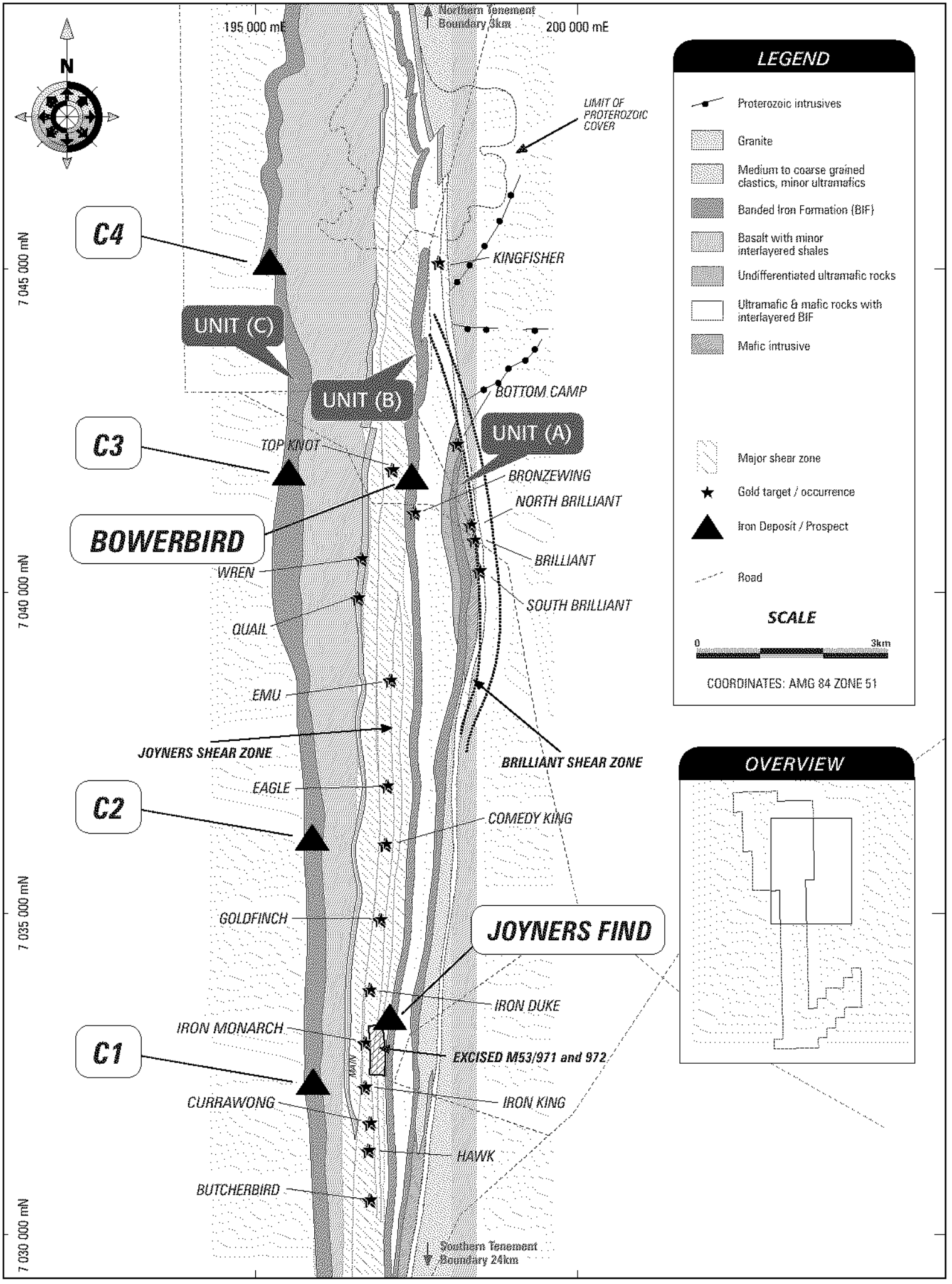
Fax: +61 9 9201 9203
Email: admin@goldenwestresources.com
Web address: www.goldenwestresources.com

The Information in this report that relates to Exploration Results is based on information compiled by Alan Rudd, who is a member of the Australian Institute of Geoscientists. Mr Rudd is a director of Golden West Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves: Alan Rudd consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Project Geology Wiluna West Project

Golden West RESOURCES LIMITED

RG26572-02

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Golden West Resources Limited

ABN 54 102 622 051

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for: (a) exploration and evaluation	(1,984)	(3,064)
	(b) development	--	--
	(c) production	--	--
	(d) administration	(451)	(696)
1.3	Dividends received	--	--
1.4	Interest and other items of a similar nature received	23	54
1.5	Interest and other costs of finance paid	--	--
1.6	Income taxes paid	--	--
1.7	Other (GST)	(47)	(147)
	Net Operating Cash Flows	(2,459)	(3,853)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	--	--
	(b)equity investments	--	--
	(c) other fixed assets	(110)	(380)
1.9	Proceeds from sale of: (a)prospects	--	--
	(b)equity investments	--	--
	(c)other fixed assets	--	--
1.10	Loans to other entities	--	--
1.11	Loans repaid by other entities	--	--
1.12	Other (provide details if material)	--	--
	Net investing cash flows	(110)	(380)
1.13	Total operating and investing cash flows (carried forward)	(2,569)	(4,233)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,569)	(4,233)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	560	8,216
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (capital raising costs)	--	(375)
	Net financing cash flows	560	7,841
	Net increase (decrease) in cash held	(2,009)	3,608
1.20	Cash at beginning of quarter/year to date	7,043	1,426
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	**Cash at end of quarter**	5,034	5,034

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	573
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The payment shown at 1.23 includes an amount of $438,909 for drilling, mess facilities and vehicle purchase paid to a company associated with one of the Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	3,000
4.2	Development	Nil
	Total	**3,000**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	147	55
5.2	Deposits at call	4,887	6,988
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)	Nil	Nil
	Total: cash at end of quarter (item 1.22)	5,034	7,043

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	62,139,854	62,139,854		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,452,134	2,452,134		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	21,814,154 1,250,000 1,250,000 1,250,000	21,814,154 Nil Nil Nil	*Exercise price* $0.20 $0.25 $0.30 $0.40	*Expiry date* 31 December 2007 30 June 2008 30 June 2008 30 June 2008
7.8	Issued during quarter	100,000	100,000	$0.20	31 December 2007
7.9	Exercised during quarter	1,852,134 200,000 200,000 200,000	1,852,134 Nil Nil Nil	$0.20 $0.25 $0.30 $0.40	31 December 2007 30 June 2008 30 June 2008 30 June 2008
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 January 2007
(Director)

Print name: Gary Wayne Hutchinson

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.